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INTERSTATE COMMERCE COMMISSION

CHattel MORTGAGE AGREEMENT

Dated as of August 1, 1972

between

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

as Lender

and

FIRST CHICAGO LEASING CORPORATION,

as Owner

EXECUTED IN 12 COUNTERPARTS OF
WHICH THIS IS COUNTERPART No. 2

CHATTEL MORTGAGE AGREEMENT

This CHATTEL MORTGAGE AGREEMENT dated as of August 1, 1972, between THE LINCOLN NATIONAL LIFE INSURANCE COMPANY (herein called "Lender") and the FIRST CHICAGO LEASING CORPORATION (herein called "Owner").

WHEREAS, the Owner has agreed to purchase certain railroad equipment described in the attached Schedule A (herein called "Equipment") from Ortner Freight Car Company, (herein called "Seller"), pursuant to a Purchase Agreement Assignment and Consent and Agreement dated as of the date hereof (herein called "Purchase Agreement Assignment"); and

WHEREAS, the Owner has agreed to lease the Equipment to ST. JOE MINERALS CORPORATION, (herein called "Lessee") pursuant to a Lease dated as of the date hereof (herein called "Lease"); and

WHEREAS, in accordance with and subject to the terms and conditions of the Finance Agreement dated as of the date hereof among the Owner, Lessee, and the Lender (herein called "Finance Agreement") the Lender has agreed to loan to the Owner funds with which to finance a portion of the purchase price of the Equipment and the Owner has agreed to issue a note as evidence of such loan (herein called "Note"); and

WHEREAS, the Owner has agreed to enter into this Chattel Mortgage Agreement and to assign its rights under the Lease to the Lender pursuant to a Collateral Assignment of Lease (herein called "Lease Assignment") dated as of the date hereof;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE 1. Security Interest. The Owner hereby grants to the Lender a security interest in the Equipment described on Schedule A hereto to secure the payment of all obligations of the Owner under the Note evidencing the loan made by the Lender to the Owner and all obligations of the Owner under this Agreement. The Note and other obligations secured hereby are

herein collectively called "Indebtedness". Subject to the terms and conditions of the Finance Agreement, and in reliance on the representations and warranties made therein, in the Lease and in the Lease Assignment, the Lender will loan to the Owner an amount equal to 63.260248% of the Owner's Cost (as hereinafter defined) of the Equipment, provided such loan shall not exceed in the aggregate the amount of \$694,358. Such loan by the Lender to the Owner shall be made on the "Final Closing Date" as such term is defined in the Finance Agreement, but in no event later than December 31, 1972. The term "Owner's Cost" shall mean the aggregate purchase price for the Equipment which the Owner has paid to the Seller in accordance with the terms of the Purchase Agreement, provided however, such Equipment is subject to the Lease as of the Closing Date.

Notwithstanding any other provision of the Note or this Agreement (including, but not limited to, any provision of Articles 10 and 11 hereof), it is understood and agreed by the Lender that the liability of the Owner for all payments to be made by Owner pursuant to the Note or this Agreement shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment", and such payments shall be made by the Owner only to the extent that the Owner or any assignee of the Owner shall have actually received sufficient "income or proceeds from the Equipment" to make such payments. The Lender agrees that the Owner shall have no personal liability to make any payments under the Note or this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Owner or any assignee of the Owner as above provided. In addition, the Lender agrees and understands that the Owner (i) makes no representation or warranty, and is not responsible for, the due execution, validity, sufficiency or enforceability of the Lease (or any document relative thereto) or of any of the Lessee's obligations thereunder and (ii) shall have no obligation, duty or other liability whatsoever to see to or be responsible for the performance or observance by the Lessee of any of its agreements, representations, indemnities, obligations or other undertakings under the Lease, it being understood that as to all such matters the Lender will look solely to the Lender's rights under this Agreement against the Equipment and to the Lender's rights under the Lease and the Lease Assignment against the Lessee and the Equipment.

As used herein the term "income and proceeds from the Equipment" shall mean (i) if one of the events of default specified in Article 10 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Owner or any assignee of the Owner at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty and Termination Occurrences (as hereinafter defined in Article 4 hereof) paid for or with respect to the Equipment pursuant to the Lease and (b) any and all payments or proceeds received by the Owner or any assignee of the Owner under the Lease or for or with respect to the Equipment as the result of the sale, lease or other disposition thereof and after deducting all costs and expenses of such sale, lease or other disposition, and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) as are indefeasibly received by the Owner or any assignee of the Owner and as shall be required to pay the unpaid principal balance of the Note (including prepayments thereof required in respect of Casualty and Termination Occurrences) and/or interest thereon, due and payable on, or within six days after, the date such amounts received by the Owner or any assignee of the Owner were required to be paid pursuant to the Lease or as shall be required to discharge any other payments then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner or any assignee of the Owner prior to the existence of such an event of default which exceeded the amounts required to pay the unpaid principal balance of the Note (including prepayments thereof required in respect of Casualty and Termination Occurrences) and/or interest thereon due and payable on, or within six days after, the date corresponding to the date on which amounts with respect thereto received by the Owner or any assignee of the Owner were required to be paid to it pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. It is further specifically understood and agreed that nothing contained herein limiting the liability of the Owner shall derogate from the right of the Lender to proceed against the Equipment as provided for herein for the full unpaid Indebtedness and interest thereon. Notwithstanding anything to the contrary contained in Article 10 hereof, the Lender agrees that in the event it shall obtain a judgment against the Owner for an amount in

excess of the amounts payable by the Owner pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount.

ARTICLE 2. Security Interest in the Equipment. The Lender shall retain a full security interest in the Equipment until the Owner shall have made all the payments under the Note and this Agreement and shall have kept and performed all its obligations herein contained, notwithstanding any provision of the Note or this Agreement limiting the liability of the Owner and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Lessee. Any and all additions to and any and all parts installed on and replacements made to any unit of the Equipment shall constitute accessions thereto and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement, except additions which are removable without impairing the value of the unit of Equipment.

Except as otherwise specifically provided in this Article 2 and in Article 4 hereof, when and only when the Lender shall have been paid in full the principal amount of the Note, together with interest and all other payments as herein provided and all the Owner's obligations herein contained shall have been performed, the Lender's security interest shall cease without further action on the part of the Lender. However, the Lender, if so requested by the Owner at that time, will execute and deliver to the Owner at its address referred to in Article 15 hereof, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Owner to the Equipment. The Owner hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such instrument or instruments or to file such certificate within a reasonable time after written demand by the Owner.

If the Lender fails, for any reason whatsoever, to make the loan to the Owner on the Closing Date in accordance with the terms and conditions set forth in the Finance Agreement, then in such event the Lender's security interest shall cease

and the Lender, if so requested by the Owner, will execute and deliver to the Owner, at the expense of the Owner, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Owner to the Equipment.

ARTICLE 3. Taxes. All payments to be made by the Owner hereunder will be free of expense to the Lender for collection or other charges and will be free of expense to the Lender with respect to the amount of any local, state, federal or foreign taxes (other than net income taxes, gross receipts taxes [except gross receipts taxes in the nature of or in lieu of sales, use or rental taxes], franchise taxes measured by net income based upon such receipts, excess profits taxes and similar taxes) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called "impositions") hereafter levied or imposed upon or in connection with or measured by the Note, this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which impositions the Owner assumes and agrees to pay on demand in addition to the Indebtedness. The Owner will also pay promptly all impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Lender solely by reason of its interests therein and will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the security interest of the Lender or result in a lien upon any part of the Equipment; provided, however, that the Owner shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lender, adversely affect the security interest or rights of the Lender in or to the Equipment or otherwise under the Note or this Agreement. If any impositions shall have been charged or levied against the Lender directly and paid by the Lender, the Owner shall reimburse the Lender upon presentation of an invoice therefor, and any amounts so paid by the Lender shall be secured by and under this Agreement; provided, however, that the Owner shall not be obligated

to reimburse the Lender for any impositions so paid unless the Lender shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Lender) or unless the Owner shall have approved the payment thereof.

ARTICLE 4. Casualty and Termination Occurrences. If the Lessee delivers to the Owner, pursuant to Section 11 of the Lease, a notice of a Casualty Occurrence with respect to any unit of Equipment (such occurrences being herein called "Casualty Occurrences"), the Owner shall, promptly after it shall have received notice that such unit has suffered a Casualty Occurrence, cause the Lender to be fully informed in regard thereto. The Owner shall pay to the Lender, on the date on which the Casualty Value for the unit is paid to the Owner under Section 11 of the Lease, a sum equal to the Casualty Value (as hereinafter defined in this Article 4) of such unit suffering a Casualty Occurrence as of the date of such payment and shall file, or cause to be filed, with the Lender a certificate setting forth the Casualty Value of such unit. Any money paid to the Lender pursuant to this paragraph shall be applied to prepay the unpaid principal balance of the Note and the Owner will promptly furnish to the Lender a revised schedule of payments of principal and interest thereafter to be made, calculated as herein provided, so that the remaining payments, including principal and interest, on the Note shall be substantially equal.

Upon payment by the Owner to the Lender of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence, the Lender's security interest shall cease without further transfer or action on the part of the Lender, except that the Lender, if so requested by the Owner, will execute and deliver to the Owner, at the expense of the Owner, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Owner to the Equipment.

The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be an amount determined by multiplying the unpaid principal balance of the Note remaining unpaid on the date as of which such Casualty Value shall be determined by a fraction, of which the numerator shall be Owner's Cost for such unit and the denominator shall be the aggregate of Owner's Cost for all units subject to the Lender's security interest on the date such Casualty Value shall be determined.

(without giving effect to any prepayment or prepayments theretofore made under this Article 4), plus interest accrued but unpaid on that portion of the Note being prepaid as of such date.

If Lessee delivers to the Owner, pursuant to Section 18(a) of the Lease, a Notice of Termination of the Lease with respect to any unit of Equipment (such occurrences being herein called "Termination Occurrences"), the Owner shall pay to the Lender on the date on which the Termination Value, if any, for such unit is paid to the Owner under Section 18 of the Lease, a sum equal to the Termination Value (as hereinafter defined in this Article 4) of such unit for which a Termination Occurrence has been exercised as of the date of such payment and shall file, or cause to be filed, with the Lender a certificate setting forth the Termination Value of such unit. Any money paid to the Lender pursuant to this paragraph shall be applied to prepay the unpaid principal balance of the Note and the Owner will promptly furnish to the Lender a revised schedule of payments of principal and interest thereafter to be made, calculated as herein provided, so that the remaining payments, including principal and interest, on the Note shall be substantially equal. Upon payment by the Owner to the Lender of the Termination Value of any unit of the Equipment for which a Termination Occurrence has happened, the Lender's security interest shall cease without further transfer or action on the part of the Lender, except that the Lender, if so requested by the Owner, will execute and deliver to the Owner, at the expense of Owner, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Owner to the Equipment. The Termination Value of each unit of Equipment for which a Termination Occurrence has happened shall be deemed to be an amount determined by multiplying the unpaid principal balance of the Note remaining unpaid on the date as of which such Termination Value was determined in accordance with the Lease by a fraction, of which the numerator shall be Owner's Cost for such unit and the denominator shall be the aggregate of Owner's Cost for all units subject to the Lender's security interest on the date such Termination Value was determined (without giving effect to any prepayment or prepayments thereto made under this Article 4), plus interest accrued but unpaid on that portion of the Note being prepaid as of such date.

ARTICLE 5. Reports and Inspections. Once in each year, commencing with the year 1973, the Owner will furnish

to the Lender, promptly upon receipt thereof from the Lessee, copies of each and every report or statement received by the Owner from the Lessee pursuant to Section 6 of the Lease. The Lender shall have the right, by its agents, to inspect the Equipment in the possession of the Owner and the Owner's records with respect thereto at such reasonable times as the Lender may request during the continuance of this Agreement.

ARTICLE 6. Possession and Use. The Owner, so long as it shall not be in default under this Agreement, shall be entitled to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The Owner may lease the Equipment to the Lessee and its permitted assigns as authorized by, and for use as provided in, the Lease, but the rights of the Lessee and its permitted assigns and sub-lessees under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Lender under this Agreement; provided, however, that so long as no Event of Default as defined in the Lease shall have occurred and be continuing, (a) Lender will not in any way disturb Lessee's uninterrupted use and quiet enjoyment of the Equipment pursuant to the Lease upon any foreclosure or exercise of any remedy under this Agreement, and (b) Lender agrees, if it should become the owner of the Equipment by foreclosure sale or otherwise, or, upon foreclosure sale of the Equipment to any other person to cause such purchaser, to accept St. Joe as lessee of the Equipment pursuant to the Lease and to assume all the obligations of the Lessor thereunder. The Owner hereby agrees that it will not exercise any of the remedies permitted in case of an Event of Default under and as defined in the Lease until the Lender shall have received notice in writing of its intended exercise thereof, and hereby further agrees to furnish to the Lender copies of all summonses, writs, processes and other documents served by it upon the Lessee or served by the Lessee upon it in connection therewith.

So long as an event of default specified in Article 10 hereof shall not have occurred and be continuing, the Owner shall be entitled to the possession and use of the Equipment, and the Equipment may be used as permitted by Section 12 of the Lease, but only upon and subject to all the terms and conditions of this Agreement; provided, however, that the Owner shall not assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America.

ARTICLE 7. Prohibition Against Liens. The Owner will pay or discharge any and all sums claimed by any party from, through or under the Owner or its successors or assigns, which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to the Equipment, or any part thereof, or the interest of the Lender therein, equal or superior to the Lender's security interest therein, and will promptly discharge any such lien, charge, security interest or other encumbrance which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Lender, adversely affect the property or rights of the Lender in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Lender in discharge of liens, charges, security interests or other encumbrances upon the Equipment shall be secured by and under this Agreement and shall bear interest at the rate of 9% per annum from the date of such payment.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

ARTICLE 8. Indemnities and Warranties. The Owner will bear the responsibility for and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of all or any unit of the Equipment.

THE LENDER MAKES NO WARRANTIES WHETHER WRITTEN, ORAL, STATUTORY OR IMPLIED (INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), WITH RESPECT TO THE EQUIPMENT OR IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 9. Assignments. The Owner will not (a) except as provided in Article 6 hereof, transfer the right to possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights in the Equipment unless such sale, assignment, transfer or disposition is made expressly subject in all respects to the rights and remedies of the Lender hereunder (including without limitation, rights and remedies against the Owner). Subject to the preceding sentence, any such sale, assignment, transfer or disposition may be made

by the Owner without the vendee, assignee or transferee assuming any of the obligations of the Owner hereunder or under the Note.

All or any of the rights, benefits and advantages of the Lender under this Agreement and the Note, including the right to receive payments of principal and interest on the Note or as herein provided to be made by the Owner, may be assigned by the Lender and reassigned by any subsequent assignee at any time or from time to time. Upon any such assignment of any interest in this Agreement and the Note either the assignor or the assignee shall give written notice to the Owner and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's security interest in the Equipment and rights under this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Owner of the notification of any such assignment, all payments thereafter to be made by the Owner under the Note or this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

In the event of any such assignment or successive assignments by the Lender of its security interest to the Equipment and of the Lender's rights hereunder with respect thereto, the Owner will, whenever requested by the assignee, change the markings on each side of each unit of the Equipment so as to indicate the security interest of such assignee to the Equipment, such markings to be specified by such assignee, subject to any requirements of the laws of the jurisdictions in which the Equipment shall be operated. The cost of such markings in the event of an assignment of all or less than all such Equipment shall be borne by such assignee.

ARTICLE 10. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) The Owner shall fail to pay in full any sum payable by the Owner when payment thereof shall be due under the Note or hereunder (irrespective of any provision of the Note or this Agreement limiting the liability of the Owner) and such default shall continue for eight (8) days; or

(b) The Owner shall, for more than 30 days after the Lender shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement, or of any agreement entered into concurrently herewith relating to the financing of the Equipment (other than the Lease), on its part to be kept and performed or to make provision satisfactory to the Lender for such compliance; or

(c) The Owner becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Owner or for a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for the Owner or for a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against the Owner, and if instituted against the Owner is consented to or acquiesced in by the Owner or remains for 60 days undismissed; or

(d) The Owner shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment; or

(e) One or more of the Events of Default enumerated in Section 14 of the Lease shall occur and be continuing or if, without the prior written consent of the Lender, the Lease shall be amended or supplemented or, except in accordance with the terms of the Lease, cancelled or terminated with respect to any unit of Equipment, or any of the terms of the Lease shall be waived or modified;

then, at any time after the occurrence of such an event of default, the Lender may, upon written notice to the Owner and upon compliance with any legal requirements then in force and applicable to such action by the Lender, (i) subject to the rights of the Lessee set forth in the Lease and Article 6 hereof, cause the Lease immediately upon such notice to terminate (and the Owner acknowledges the right of the Lender to terminate the Lease) and/or (ii) declare (hereinafter called a

Declaration of Default) the entire unpaid principal balance of the Note, together with the interest thereon then accrued and unpaid, and all other Indebtedness, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of the Note and other Indebtedness shall bear interest from the date of such Declaration of Default at the rate of 9% per annum, to the extent legally enforceable. Upon a Declaration of Default, the Lender shall be entitled to recover judgment for the entire unpaid balance of the Note and other Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of the income and proceeds from the Equipment in the manner and subject to the limitations of Article 1 hereof. The Owner shall promptly notify the Lender of any event which has come to its attention which constitutes, or with the giving of notice and/or lapse of time would constitute, an event of default under this Agreement.

The Lender may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Owner and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Owner that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 11. Remedies. At any time during the continuance of a Declaration of Default, the Lender may, subject to the rights of the Lessee set forth in the Lease and Article 6 hereof, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Lender, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Owner or the Lessee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 11 expressly provided, and may remove the same from possession and use of the Owner, the Lessee or any other person and for such purpose may enter upon the premises of the Owner or the Lessee or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Owner or the Lessee, with or without process of law.

In case the Lender shall demand possession of the Equipment pursuant to this Agreement, Owner shall (subject to the rights of the Lessee set forth in the Lease and Article 6 hereof), at its own expense, forthwith and in the usual manner, make demand upon the Lessee to cause the Equipment to be delivered to the Lender. At the option of the Lender, the Lender may keep the Equipment on the storage tracks of any railroad company designated by Lender for a period of 90 days, without charge to Lender for rent or storage. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Lender shall be entitled to a decree against the Owner and/or the Lessee requiring specific performance hereof; provided, however, that if Lessee is in possession of all the units of Equipment, the Lender shall be entitled to such decree only against the Lessee. The Owner hereby expressly waives any and all claims against the Lender and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Lender (after retaking possession of the Equipment as hereinbefore in this Article 11 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire Indebtedness and make such disposition thereof as the Lender shall deem fit. Written notice of the Lender's election to retain the Equipment shall be given to the Owner and Lessee by telegram or registered mail, addressed as provided in Article 15 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Lender should elect to retain the Equipment and no objection is made thereto within the 60-day period described in the second proviso below, all the Owner's rights in the Equipment shall thereupon terminate and all payments made by the Owner may be retained by the Lender as compensation for the use of the Equipment; provided, however, that if the Owner, before the expiration of the 60-day period described in the proviso below, should pay or cause to be paid to the Lender the total unpaid principal balance of the Note, together with interest thereon accrued and unpaid and all other Indebtedness due under this Agreement, then in such event the Lender's security interest shall cease without further act on the part of the Lender; provided, further, that if the Owner or any other persons notified under the terms of this paragraph object in writing to

the Lender within 60 days from the receipt of notice of the Lender's election to retain the Equipment, then the Lender may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. The Lender shall apply the proceeds of any such sale, lease or other disposition in accordance with the provisions of this Article 11. If the Lender shall have given no notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell or lease the Equipment in accordance with the provisions of this Article 11.

At any time during the continuance of a Declaration of Default, the Lender, with or without retaking possession thereof, at its election and upon reasonable notice to the Owner and any other persons to whom the law may require notice of the time and place, may, subject to the rights of the Lessee set forth in the Lease and Article 6 hereof, sell the Equipment, or one or more of the units thereof, free from any and all claims of the Owner or any other party claiming from, through or under the Owner at law or in equity, at public or private sale and with or without advertisement as the Lender may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Owner should tender full payment of the total unpaid principal balance of the Note, together with interest thereon accrued and unpaid and all other Indebtedness due under this Agreement as well as expenses of the Lender in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for the sale and the Lender's reasonable attorneys' fees, then in such event the Lender's security interest shall cease without further action on the part of the Lender.

Any sale hereunder may be held or conducted at such time or times and at such place or places as the Lender may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Lender may determine. The Owner shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 15 hereof. If such sale shall be a private sale, it shall be subject to the rights of the Owner to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. The Lender may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. In the event that the Lender shall be the purchaser thereof, it shall not be accountable to the Owner (except to

the extent of surplus money received as hereinafter provided in this Article 11), and in payment of the purchase price therefor the Lender shall be entitled to have credited on account thereof all sums due to the Lender under the Note or this Agreement, whether by acceleration or otherwise.

Each and every power and remedy hereby specifically given to the Lender shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Lender, except as such exercise may expressly be limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others, except as such exercise may expressly be limited herein. No delay or omission of the Lender in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Owner shall not otherwise alter or affect the Lender's rights or the Owner's obligations hereunder. The Lender's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Owner's obligations or the Lender's rights hereunder with respect to any subsequent payments or default therein.

All sums of money realized by the Lender under the remedies herein provided shall be applied, first to the payment of the expenses and liabilities undertaken in good faith by the Lender, second to the payment of interest on the Note accrued and unpaid, third to the payment of the unpaid principal balance of the Note, and fourth to the payment of all other Indebtedness. If, after applying as aforesaid all sums of money realized by the Lender under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Owner shall pay (subject to the limitations of Article 1 hereof) the amount of such deficiency to the Lender upon demand, and, if the Owner shall fail to pay such deficiency, the Lender may bring suit therefor and shall be entitled to recover a judgment therefor against the Owner and to collect such judgment out of the income and proceeds from the Equipment in the manner and subject to the limitations of Article 1 hereof. If, after applying as aforesaid all sums realized by the Lender, there shall remain a surplus in the possession of the Lender, such surplus shall be paid to the Owner.

The Owner will, subject to the limitations of Article 1 hereof, pay all reasonable expenses, including attorneys' fees, incurred by the Lender in enforcing its remedies under the terms of this Agreement. In the event that the Lender shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Lender may recover reasonable expenses, including reasonable attorneys fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 11 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

Any and all obligations of the Owner under this Agreement are in all respects subject to the provisions of Article 1 and 16 hereof.

ARTICLE 12. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Owner to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a chattel mortgage and enforced as such.

Except as otherwise provided in this Agreement, the Owner to the full extent permitted by law, hereby waives all statutory or other legal requirements for notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements with respect to the enforcement of the Lender's rights under this Agreement.

ARTICLE 13. Recording. The Owner will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act; and the Owner will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Lender for the purpose of proper protection, to the satisfaction of counsel for the Lender, of its security interest in the Equipment, its rights

under the Note and this Agreement, and for the purpose of carrying out the intention of this Agreement; and the Owner will promptly furnish to the Lender certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Lender.

ARTICLE 14. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Lender and the Owner.

ARTICLE 15. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

(a) to the Lender, at 1301 South Harrison Street, Fort Wayne, Indiana 46801, Attention: Securities - Investment Department;

(b) to the Owner, at One First National Plaza, Chicago, Illinois 60670, Attention: President;

(c) to any assignee of the Lender, or of the Owner, at such address as may have been furnished in writing to the Owner, or the Lender, as the case may be, by such assignee;

(d) to the Lessee at 250 Park Avenue, New York, New York 10017, Attention: L. K. Wheelock, Vice President;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 16. Immunities; Satisfaction of Undertakings. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of

the Lender or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers being forever released as a condition of and as consideration for the execution of this Agreement.

The obligations of the Owner under the last paragraph of Article 6, the fourth paragraph of Article 9, and under Articles 3, 5, 7, and 13 hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Owner shall not have any responsibility for the Lessee's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 10 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Lender.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Owner are made and intended not as personal representations, covenants, undertakings and agreements by the Owner or for the purpose or with the intention of binding the Owner personally but are made and intended for the purpose of binding only the "income and proceeds from the Equipment", as defined in Article 1 hereof; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Owner on account of this Agreement or on account of any representation, covenant, undertaking or agreement of the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lender and by all persons claiming by, through or under the Lender; provided, however, that the Lender or any person claiming by, through or under any of them, making claim hereunder, may look to the "income and proceeds from the Equipment", as defined in Article 1 hereof for satisfaction of the same.

ARTICLE 17. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights

arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof, as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 18. Execution. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated as of August 1, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this CHATTEL MORTGAGE AGREEMENT to be executed all as of the date first above written.

[CORPORATE SEAL]

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

ATTEST:

C. M. [Signature]
Assistant Secretary

By Harold L. [Signature]
Sr. Vice President

[CORPORATE SEAL]

FIRST CHICAGO LEASING CORPORATION

ATTEST:

John L. [Signature]
Asst Secretary

By Robert K. [Signature]
ASST (Vice) President

STATE OF INDIANA

COUNTY OF ALLEN

)
ss.:

On this 31 day of AUGUST, 1972, before me personally appeared HAROLD L. BOBECK, to me personally known, who, being by me duly sworn, says that he is a ^{SENIOR} Vice President of THE LINCOLN NATIONAL LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

My Comm. Expires:
10-1-73

Mary Jo Stoffer
Notary Public

STATE OF Illinois

COUNTY OF Cook

)
ss.:

On this 8th day of Sept., 1972, before me personally appeared Robert H. Parsons, to me personally known, who, being by me duly sworn, says that he is a Asst. Vice President of FIRST CHICAGO LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Joan M. Nowak
Notary Public

My Commission Expires June 22, 1976

SCHEDULE A OF CHATTEL MORTGAGE AGREEMENT

<u>Quantity</u>	<u>Description</u>	<u>St. Joe Minerals Corporation's Road Numbers (inclusive)*</u>
80	100 ton capacity high side gondola car	SJMX 72,000 - 72,079

*to be assigned to units of Equipment

I certify that the foregoing is a true copy of the original now on file in Bankruptcy Court Southern District of Texas

Clerk, U.S. District Court
Southern District of Texas
Bankruptcy Division
FILED

DEC 18 1987

J. E. Clark, Clerk
By Deputy:

By M. Perez

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

HOUSTON DIVISION

IN RE: §
RICHMOND LEASING COMPANY, §
Debtor, § CASE NO. 83-00294-H3-5
§
§
§

ORDER CONFIRMING SALE OF ASSETS AND ASSIGNMENT
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES
TO GENERAL ELECTRIC RAILCAR SERVICES CORP.

Upon the expedited Motion of Richmond Leasing Company for Authority to Sell Substantially All of its Assets Free and Clear of Liens With Liens Attaching to Proceeds Including Assignment of Certain Unexpired Leases and Executory Contracts and Request For Hearing Thereon, dated August 11, 1987, and upon consideration of all objections thereto; based upon the evidence, testimony, and oral argument tendered at the hearing on the Motion of September 9, 1987; and based upon the auction held on September 10, 1987 by Richmond Leasing Company and Richmond Tank Car regarding the assets subject to the Motion, it is hereby found that:

1. This Court had jurisdiction to consider the Motion under 28 U.S.C. Sections 1334 and 157(a).
2. On October 7, 1987, as a result of the auction, Richmond Leasing Company, Richmond Tank Car and GERSCO entered into that certain Asset Purchase Agreement.
3. That on November 12, 1987, each of the parties hereto executed an Amendment to the Asset Purchase Agreement.

4. That on December 18, 1987 each of the parties hereto executed a Second Amendment to the Asset Purchase Agreement.

5. By notice dated November 4, 1987, Richmond Leasing Company served notice of the terms and provisions of the Asset Purchase Agreement and the sale of the assets thereunder on creditors and parties-in-interest.

6. Delay in consummation of the Asset Purchase Agreement will be detrimental to Richmond Leasing Company's estate.

7. Richmond Leasing Company and Richmond Tank Car are currently the lawful owners of, or lawfully hold an ownership interest in, the Assets.

8. Approval of the sale of the assets is in the best interests of Richmond Leasing Company's estate and its creditors.

9. The sale of the assets may be effected pursuant to the provisions of Sections 365(f) and 363(f) of the Bankruptcy Code.

10. Due and proper notice of the Motion had been given and approved by this Court.

IT IS HEREBY ORDERED:

The sale of assets to GERSCO is hereby approved on those terms set forth in the Asset Purchase Agreement and ^{First and second} amendments thereto. 77c

SIGNED at Houston, Texas on this 18 day of Dec, 1987.

I certify that the foregoing is a true copy of the original now on file in Bankruptcy Court

Southern District of Texas

By Andy Gould, Clerk

73 Clark
LETITIA Z. CLARK
UNITED STATES BANKRUPTCY JUDGE

SEP 9 1987

J. Hannibal
Jesse E. Clark, Clerk
By Deputy:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:

RICHMOND LEASING COMPANY

Debtor

§
§
§
§
§

CASE NO. 83-00294-H3-5
(CHAPTER 11)

**ORDER APPROVING RICHMOND LEASING
COMPANY'S EXPEDITED MOTION FOR AUTHORITY TO SELL
SUBSTANTIALLY ALL OF ITS ASSETS FREE AND CLEAR OF LIENS
WITH LIENS ATTACHING TO PROCEEDS INCLUDING ASSIGNMENT
OF CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS**

Came on for consideration Richmond Leasing Company's ("RLC") Expedited Motion for Authority to Sell Substantially All of Its Assets Free and Clear of Liens With Liens Attaching To Proceeds Including Assignment of Certain Unexpired Leases and Executory Contracts and Request for Hearing Thereon, and it APPEARING that:

1. RLC filed its voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on January 7, 1983 and has been operating its business as a debtor in possession since that time.

2. RLC has filed its Plan of Reorganization and that Plan provides for various sales of RLC's assets by motion or operation of the Plan.

3. RLC has entered into an agreement with Union Tank Company ("Union") whereby RLC shall sell and Union purchase substantially all of RLC's assets, including

executory contracts and unexpired leases. The agreement and its amendments (collectively, the "Agreement") set forth the assets to be conveyed, liabilities to be transferred, and consideration to be received by RLC. A copy of the Agreement is attached to and made part of RLC's Motion.

4. Prior to entering into the Agreement, RLC's management, directly and by use of business sources, contacted every major known participant in the railcar leasing industry in an attempt to secure the highest and best price for its assets.

5. Ten entities signed confidentiality agreements with RLC whereby they were permitted access to the books, records, and fleet of RLC. Of those ten entities, only two submitted written bids for the assets. Union Tank Car's bid exceeds the other, lower bid by \$7 million or 70%.

6. The Agreement provides that interested bidders willing to pay a purchase price greater than 102% of Union's offer plus \$150,000 representing reimbursement for fees and expenses, which amount shall be paid by the successful bidder (if other than Union) to Union if Union's purchase offer is not consummated (unless the reason therefor is Union's breach or default), and if an agreement in principle or definitive agreement for the acquisition of all or substantially all of the assets covered by the Agreement is executed, or substantive negotiations with respect thereto occurs, prior to December 31,

1987 with a party or parties other than Union, and such other party or parties thereafter acquire said assets on or before June 30, 1988 for a purchase price greater than 102% of Union's offer plus \$150,000, then in lieu of any and all damages or relief that Union may be entitled to, the party or parties acquiring the assets shall pay to Union the \$150,000 increment of the purchase price.

7. RLC has decided, in its business judgment, that the Agreement with Union, or with such other party as may come into the Court to bid, is in the best interests of RLC's estate.

8. Notice of the proposed sale has been proper, consisting of the mailing of a Notice to all creditors, parties in interest, the equity security holder, parties to executory contracts, and unexpired leases and possible interested bidders. Additionally, notice of the proposed sale, along with the time, date and place of hearing have been published in the national edition of the Wall Street Journal.

9. The Agreement complies with the provisions of Bankruptcy Code §§ 363(b), 365, 362, and 105, and the Fifth Circuit's holdings in In re Continental Airlines, Inc., 780 F.2d 1223 (5th Circuit 1986) and In re Braniff Airways, Inc., 700 F.2d 935 (5th Circuit 1983), and further is consistent with RLC's Plan of Reorganization.

10. The property and rights made the subject of the Motion are property of RLC's estate or the owners or interest holders of specific property and rights consent to the sale.

11. The business justifications of RLC for the Motion are sufficient to warrant authorization and approval of the Motion.

12. The result of the Motion will not effect or diminish the rights of RLC's creditors or other parties in interest.

13. The Motion should be approved; it is therefore

ORDERED that:

1. RLC's Expedited Motion for Authority to Sell Substantially All of Its Assets Free and Clear of Liens With Liens Attaching To Proceeds Including Assignment of Certain Unexpired Leases and Executory Contracts and Request for Hearing Thereon is APPROVED.


2. RLC is hereby authorized to sell and convey the assets covered by the above-referenced motion to Union Tank Car Company or such other buyer bidding the highest cash price, free and clear of all liens, encumbrances and claims, with such liens, if any, attaching to proceeds, provided that any other price bid is greater than 102% of Union's offer, plus \$150,000 representing reimbursement for fees and expenses, which amount shall be paid by the successful bidder (if other than Union) to Union if Union's purchase offer is not consummated (unless the reason therefor is Union's breach or default), and if an agreement in principle or definitive agreement for the acquisition of all or substantially all of the assets covered by the Agreement is executed, or substantive negotiations with respect thereto occurs, prior to December 31, 1987 with a party

or parties other than Union, and such other party or parties thereafter acquire said assets on or before June 30, 1988 for a purchase price greater the 102% of Union's offer plus \$150,000, then in lieu of any and all damages or relief that Union may be entitled to, the party or parties acquiring the assets shall pay to Union the \$150,000 increment of the purchase price may purchase the assets.

3. RLC is hereby authorized to take any and all steps, including execution of documents, to facilitate the closing of the sale, upon all of the terms and conditions stated in the Agreement.

4. To the extent necessary, the automatic stay of 11 U.S.C. § 362(a) is modified so as to permit RLC to close the proposed sale and escrow the proceeds thereof.

SIGNED this 9 day of Sept, 1987.


LETITIA Z. CLARK,
UNITED STATES BANKRUPTCY JUDGE

ORDER PREPARED BY:

John P. Melko, Esq.
SHEINFELD, MALEY & KAY
3700 First City Tower
Houston, Texas 77002

I certify that the foregoing is a
true copy of the original now on
file in Bankruptcy Court
Southern District of Texas

By , Clerk